



State of Utah

Department of Natural Resources

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Division of Oil, Gas & Mining

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Acting Division Director

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Governor

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Lieutenant Governor

January 26, 2005

CERTIFIED RETURN RECEIPT
7099 3400 0016 8896 1287

Mrs. Karen Palmer
Diamond K Gypsum
1720 South Red Hills Drive
Richfield, Utah 84701

Subject: Five-Year Review of Reclamation Surety Estimate, Diamond K
Gypsum, DKG Gypsum Quarry, M/015/041, Emery County, Utah

Dear Mrs. Palmer:

On January 21, 2005, the Division received your proposal to add 2.3 acres to your disturbed area. This is a change to an existing mine plan, and little information is required other than an updated map and a revised bond to include this new area and to reflect the reclamation work you did this past fall.

The Division periodically reviews reclamation surety estimates to verify their accuracy and make adjustments for escalation and any site modifications that could result in a change of the surety amount presently being held for the site. We require that surety estimates being held by the State include a five year escalation and be reviewed every five years.

Diamond K's surety was last reviewed in 2000, so we have decided to perform the periodic review in association with the review of the bond required for your recent amendment. To assist us in this review, we request an updated map of your site showing current surface facilities and disturbances, including acreage figures. Although we have some of this information, it is incomplete. In particular, we do not have acreage figures for all of those areas that have been graded and seeded but have not been released.

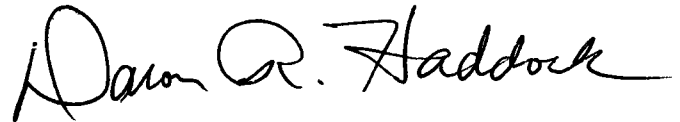
Please provide the updated map at a scale of not less than 1 inch = 100 feet, which includes roads, utilities, power lines, drainage structures (i.e. berms, culverts, etc.), topsoil, ore and product storage areas, overburden/waste dumps,

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tailings or processed waste facilities, solid and liquid wastes, and wastewater discharge treatment and containment facilities, etc. This map should include all areas which have been affected by this operation to date and, as far as possible, areas that will be disturbed over the next five years. Please ignore items listed above which do not apply to your site. Also show those areas that have been reclaimed, the acreage affected, and the date of reclamation. Reclaimed areas should be colored or cross-hatched to show the years when they were reclaimed.

Please provide this information within the next 60 days or no later than March 28, 2005. If you are unable to meet this timeframe, please contact the Division with justification for requesting additional time. Thank you for providing this information to assist us in our surety estimate review. If you have any questions concerning this letter, please contact Doug Jensen at 801-538-5382 or Paul Baker at 801-538-5261.

Sincerely,



Daron R. Haddock
Permit Supervisor
Minerals Regulatory Program

DRH:PBB:jb
cc: Fred O'Ferrall, Price BLM
Doug Jensen, DOGM
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